

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)	
MONTGOMERY COUNTY WATER DISTRICT)	CASE NO. 95-429

O R D E R

On September 26, 1995, Montgomery County Water District ("Montgomery") filed its application with the Public Service Commission ("Commission") for the purpose of adjusting its rates pursuant to the purchased water adjustment procedure. (KRS 278.015 and 807 KAR 5:068.) On October 11, 1995, the Commission advised Montgomery, by letter, of certain deficiencies in its filing. On October 23, 1995, Montgomery filed additional information with the Commission resolving the deficiencies and meeting the minimum filing requirements set by regulations.

The Commission, having reviewed the evidence of record and being otherwise sufficiently advised, finds that:

1. Montgomery purchases water from the Mount Sterling Water and Sewer Commission ("Mount Sterling").
2. Effective with the October 1, 1995 meter readings, Mount Sterling increased its rates. Montgomery proposed to place its increased rates into effect on and after October 1, 1995.
3. During the 12 months ending August 31, 1995, Montgomery purchased 80,285,450 gallons of water and sold 66,212,350 gallons.

4. Montgomery's calculations are incorrect in that the proposed rates are not calculated using the formula set out in Appendix B to this Order.

5. Based on Mount Sterling's current charges for purchased water, Montgomery's purchased water costs will increase by \$13,341, resulting in a purchased water adjustment of 20 cents per 1,000 gallons. Based on an average monthly usage of 5,000 gallons, the average bill of Montgomery's customers will increase \$1.00 from \$20.80 to \$21.80 or 4.8 percent.

6. The purchased water adjustment of 20 cents per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. Montgomery's proposed tariff filing is denied.

2. The purchased water adjustment of 20 cents per 1,000 gallons and the rates in Appendix A are approved for services rendered on and after October 1, 1995.


3. Within 30 days of the date of this Order, Montgomery shall file verification of customer notice.

4. Within 30 days of the date of this Order, Montgomery shall file revised tariffs setting out the rates approved herein.

Done at Frankfort, Kentucky, this 22nd day of November, 1995.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 95-429 DATED NOVEMBER 22, 1995

The following rates and charges are prescribed for the customers in the area served by Montgomery County Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Monthly Rates:

First 2,000 gallons	\$13.94 Minimum Charge
Next 3,000 gallons	2.62 per 1,000 gallons
Next 5,000 gallons	2.47 per 1,000 gallons
Over 10,000 gallons	1.92 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 95-429 DATED NOVEMBER 22, 1995

PURCHASED WATER ADJUSTMENT CALCULATIONS

Water Purchased:	80,285,450 gallons
Water Sold:	66,212,350 gallons
Cost at Changed Rate:	\$129,277
Less	
Cost at Base Rate:	\$115,936
Increase in Cost:	\$ 13,341
\$13,341 Increase divided by 66,212,350 gallons sold	-
	\$0.2015 or \$0.20 per 1,000 gallons